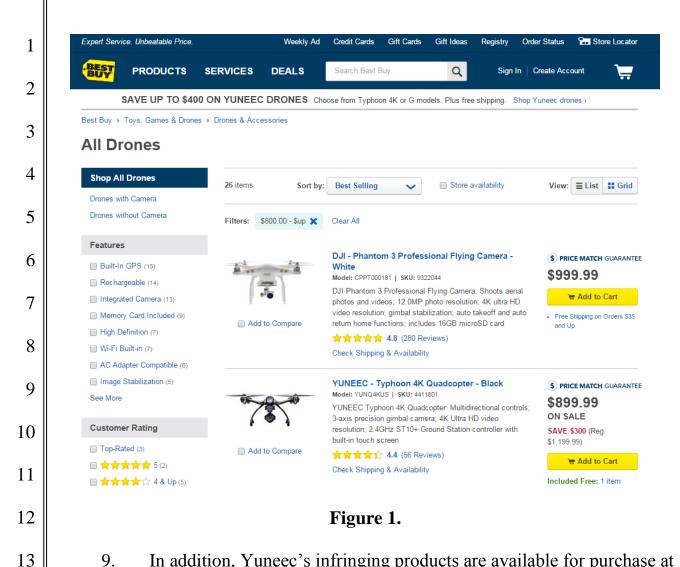
Plaintiffs, v. Yuneec International Co. Ltd. and Yuneec USA Inc., Defendants.) FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT Judge: Hon. Beverly Reid O'Connell JURY TRIAL DEMANDED
	TES DISTRICT COURT TRICT OF CALIFORNIA) Case No. 5:16-cv-00595-BRO(KKx)
Attorneys for Plaintiffs and Counter- SZ DJI Technology Co., Ltd. and DJ Europe B.V.	
(Additional counsel on signature pag	ge)
Facsimile:(866) 974-732	
633 West Fifth Street, Suite 1550 Los Angeles, CA 90071-2027 Telephone: (323) 210-2923	
LISA D. ZANG, State Bar No. 2944 WILSON SONSINI GOODRICH & lzang@wsgr.com	93 ROSATI, P.C.
Palo Alto, CA 94304-1050 Telephone:(650) 493-9300 Facsimile: (650) 565-5100	
mprocaccioflowers@wsgr.com WILSON SONSINI GOODRICH & 650 Page Mill Road	ROSATI, P.C.
ashih@wsgr.com MARY PROCACCIO-FLOWERS, S	
jyoon@wsgr.com RYAN R. SMITH, State Bar No. 229 rsmith@wsgr.com ALBERT SHIH, State Bar No. 2517	
jyoon@wsgr.com	

("Yuneec International") is a Hong Kong corporation with its principal place of



9. In addition, Yuneec's infringing products are available for purchase at Best Buy retail stores located in this District. *See* Figure 2. In 2016, at least one infringing Yuneec product was sold at a Best Buy retail store located in this District.

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |

12

13

14

15

16

17

18

19

20



Figure 2.

- 10. On information and belief, Yuneec USA is a division of Yuneec International. *See* http://www.yuneec.com/support_office (last visited Mar. 31, 2016). On its website, Yuneec describes Yuneec USA as "responsible for all aspects of Yuneec International's business in the Americas." *See* http://www.yuneec.com/careers (last visited Mar. 31, 2016).
- 11. On information and belief, Yuneec USA maintains an office in this District at 5555 Ontario Mills Parkway, Ontario, California 91764.
- 12. Because Yuneec has availed itself of the privileges of conducting activities in this District, it is subject to personal jurisdiction in this District.

13. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), (c), (d), and/or 1400(b) because, among other things, Defendants are subject to personal jurisdiction in this District, have committed acts of patent infringement in this District, and continue to commit acts of infringement in this District.

FACTUAL BACKGROUND

DJI brings this action to seek injunctive relief and damages arising out 14. of Yuneec's infringement of DJI's U.S. Patent Nos. 9,164,506, 9,280,038, 9,221,536, 9,233,754, 9,284,049, 9,394,048, and 9,284,040 (collectively "the Patents-in-Suit").

DJI

DJI is an innovator at the forefront of commercial unmanned aerial 15. vehicle ("UAV") technology. DJI develops and manufactures aerial videography and photography systems for commercial and recreational use. DJI's UAVs include the DJI Inspire 1 Pro (Figure 3) and the recently released DJI Phantom 4 (Figure 4), which bring together DJI's patented technology in easy to use, all-inone products that provide consumers with access to high quality aerial imaging.

INSPIRE 1 PRO / RAW
AERIAL IMAGING EVOLVED

Figure 3.



Figure 4.

16. DJI's operations are global, currently spanning North America, Europe, and Asia. DJI's commercial UAVs are versatile; they are used each and every day for things such as aerial photography and cinematography, scientific research, geological surveying, and much more. DJI has developed highly

 $\left\| \cdot \right\|_{C}$

sophisticated software applications and interfaces that allow consumers to fully control the flight system and onboard camera.

- 17. Since its founding, DJI has invested millions of dollars in research to develop industry leading technology fundamental to the very concept of UAVs.

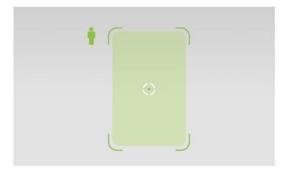
 To date, DJI's research investment has resulted in at least 30 issued United States patents and over 50 pending United States patent applications. DJI employs over seven hundred engineers that develop cutting-edge and ground-breaking solutions to the many challenging issues facing commercial UAVs in an emerging industry. In order to provide out-of-the-box, ready-to-fly products for both amateur and professional consumers, DJI's UAVs are manufactured and pre-assembled with precision and careful calibration.
- 18. DJI's extensive research and development efforts have resulted in more than just the design and development of revolutionary UAVs like the DJI Inspire 1 and DJI Phantom series; they have also led to DJI's development of supporting applications, such as those used for filming, advertising, construction, firefighting, farming, and many others. For instance, as the Wall Street Journal reported in late November 2015, DJI has developed applications to help farmers more efficiently spray their crops in plots of land that are difficult for airplanes to reach.
- 19. DJI has developed a series of pre-programed flight patterns that help capture high quality, targeted aerial images. In one such flight program, called

"ActiveTrack," users can instruct the Phantom 4 to recognize a chosen subject and follow the subject automatically to keep the subject constantly in frame. *See*

Figures 5 and 6.



Figure 5.



ACTIVETRACK

Using ActiveTrack, the Phantom 4 will recognize your subject, follow them naturally, and keep them in the frame. No GPS bracelet, tracker or beacon required.

Figure 6.

20. To further enhance image capturing capabilities by maximizing camera viewing angles, the DJI Inspire 1 has an advanced camera support, referred to as a "gimbal," that allows the camera to rotate 360-degrees across three different axes. *See* Figures 7 and 8. As DJI's website describes, "[t]he 3-axis gimbal constantly draws on data fed by the intelligent flight controller, so it knows the aircraft's flight parameters and computes the proper motion correction every millisecond."



Figure 7.



Figure 8.

21. For handheld photography and cinematography, the advanced gimbal included with the Inspire 1 can be detached and reattached to a separate handheld camera support called the DJI Osmo. *See* Figure 9. This flexible design allows a consumer to maximize the usability and versatility of the advanced gimbal system.



Figure 9.

22. Presently, DJI's products are available for sale online and in retail stores, including Amazon.com, Best Buy, Walmart, eBay, the Apple Store, and hobby shops.

Yuneec

- 23. On information and belief, Yuneec is a company founded by Tian Yu and headquartered in Jiangsu, China.
- 24. On information and belief, Yuneec was founded in 1999 as a manufacturer of single rotor, fixed-wing aircraft. Yuneec advertises in the "About Yuneec" section of its webpage that it "pioneered *manned* electric flight." Upon

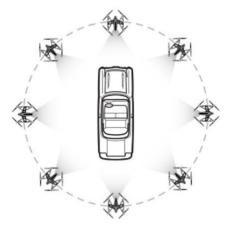
- 25. On information and belief, Yuneec has made, used, offered to sell, and sold UAVs since at least as early as 2014, including the Yuneec Typhoon G, Yuneec Typhoon Q500, Typhoon Q500+, and Typhoon Q500 4K (collectively the "Typhoons").
- 26. The Typhoons contain a variety of electrical components used to control various aspects of the operation of the UAVs and sensors for navigational, surveillance, or remote sensing purposes. These UAVs are assembled with preconfigured electrical components. Yuneec states in UAV product package instruction manuals, such as for the Typhoon Q500 4K, that its UAVs are "ready to fly right out the box" and that the "system arrives 100% factory-assembled and test flown."
- 27. On information and belief, the Typhoons are configured to receive target information from the user by remote control to automatically track the target and to maintain a position relative to the target.
- 28. For example, users can instruct the Typhoons "to keep the pilot holding the ST10+ in focus and in frame," using a feature called "Watch Me." *See* Figures 10-13. This feature is important for the Typhoons.



Figure 10.

ALWAYS STAY IN FRAME WITH

Watch Me



When Watch Me is enabled, the 4K camera and Typhoon aircraft automatically adjust to keep the pilot holding the ST10+ in focus and in frame no matter which way the drone is maneuvered.

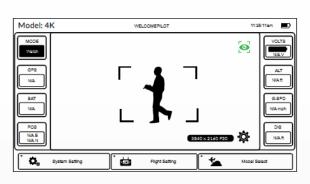
Figure 11.

Follow Me / Watch Me

Follow Me ensures Typhoon H moves along with you. Watch Me tells
Typhoon H to follow you while always pointing the camera at you
wherever you go.

Figure 12.

29. As the Typhoons' instruction manuals explain, in the "Watch Me" function, "the pilot will always be kept in the frame;" the Typhoons will adjust the UAV's position and/or the camera's lens to keep the pilot in the frame. *See* Figure 13.



In Watch Me function, the pilot will always be kept in the frame wherever he moves.

Figure 13.

30. The Typhoons are also equipped with a gimbal camera capable of being attached to either the UAV or to a Yuneec handheld device called the "SteadyGrip." The Typhoon Q500+, the Typhoon Q500 4K, and the Typhoon G all include both a UAV and a SteadyGrip. *See* Figures 14-16.

TYPHOON TOSOUT



Figure 14.

TYPHOON 🖾



Figure 15.

TYPHOON G

Figure 16.

- 31. On information and belief, Yuneec demonstrates its UAV products together with its handheld SteadyGrip device (which also retails as the Typhoon ActionCam) at trade shows and dealer expos.
- 32. The ability of the gimbal camera to releasably connect to the UAV and/or to the SteadyGrip is an important feature for Yuneec. It is a feature that Yuneec highlights in its advertising material. *See* Figure 17. Yuneec expressly advertises that "[t]he SteadyGrip handheld device ensures ground shots are as smooth as those taken from the air."



Figure 17.

33. At the Consumer Electronics Show ("CES") in Las Vegas, Nevada in January 2016, Yuneec demonstrated the Typhoon H, a six-rotor UAV with a built-in collision avoidance system. *See* Figure 18.

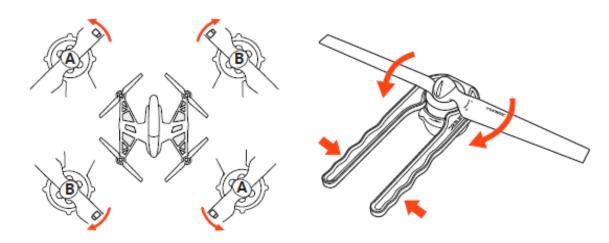


Figure 18.

34. On information and belief, the Typhoon H is equipped with a gimbal camera capable of being attached either to the UAV or to a handheld device like the SteadyGrip.

- 35. On information and belief, Yuneec plans to market the Typhoon H as a competitor to DJI's Inspire 1 UAV. Upon information and belief, the Typhoon H will retail for under \$2,000. One model of the Typhoon H sells at around \$1,300, "putting nearly head-to-head with the \$1,400 DJI Phantom 4."
- 36. In a January 2016 article from PR Newswire, Yuneec International CEO Tian Yu has emphasized the importance of price competition, stating that "[w]e've engineered the Typhoon H to redefine what customers should expect to pay for a drone with such an array of professional features. At this price point, no other drone comes close to the Typhoon H in terms capability and value."
- 37. On information and belief, at least the Typhoon Q500, Q500+, Q500 4K, and the Typhoon G include what Yuneec characterizes as a set of motors and a set of corresponding propellers, each of which is marked with an "A" or "B" to ensure easy installation in the correct positions. For example, the propellers marked with "A" should be installed on motors marked with "A," and the propellers marked with "B" should be installed on motors marked with "B."

 Yuneec explains that it is not possible to install a propeller marked with "A" on a motor marked with "B" and that the threads go in different directions for the "A" and "B" motors/propellers. To install a propeller on the corresponding motor, the propeller is rotated in a direction marked on the propeller or a rotor assembly. *See* Figure 19.



Each motor and propeller are marked with an 'A' or 'B' to ensure easy installation in the correct positions (for example: install propellers marked with 'A' on motors marked with 'A').

Figure 19.

38. On information and belief, at least Yuneec UAVs such as the Typhoon Q500 and Typhoon Q500 4K have a layout that includes a central body and multiple branch members extending from the central body. *See* Figure 20.



Figure 20.

- 39. On information and belief, in Yuneec's Typhoon Q500 and Typhoon Q500 4K the central body includes an upper housing member and a lower housing member forming a central cavity, and each branch member includes an upper branch housing member and a lower branch housing member. On information and belief, electrical components are disposed inside the central cavity. On information and belief, the upper housing member and upper branch housing members form an integral upper body portion, and the lower housing member and lower branch housing members form an integral lower body portion.
- 40. On information and belief, at least the Typhoon Q500 and Q500 4K include one or more electronic speed control (ESC) modules placed outside of the central cavity that are adapted to control operation of the motors, and a flight control module for controlling operations of the UAV. On information and belief, the electrical coupling between the ESC module and the flight control module allows the ESC module to send feedback signals to the flight control module.

The Commercial UAV Market

- 41. The commercial UAV industry is young and fast-growing. According to one market report, "the total Commercial UAV Market was valued at \$15.22 Million in 2014, and is expected to reach \$1.27 Billion by 2020, at an estimated CAGR (Compound Annual Growth Rate) of 109.31% between 2014 and 2020."
- 42. Customers in the UAV market include, for example, photographers, cinematographers, hobbyists, geological surveyors, first responders, energy

- 43. According to an April 2015 Economist article, DJI is one of the leading players and "a pioneer in the nascent market." The Wall Street Journal calls DJI the company that "kick started the global craze" for UAVs. CKGSB Knowledge noted in late 2015 that "DJI was the first drone maker to put together a turnkey package that doesn't require any special knowledge to use."
- 44. DJI senior product manager and inventor, Paul Pan, told Forbes

 Magazine: "It just comes down to innovation and being able to create something
 that is not available or what a competitor doesn't have."
- 45. An industry analyst from the research and advisory firm "Drone Analyst" commented in late January 2016 that the "only other vendor capable of competing with [DJI] based on feature and price is Yuneec."

Competition Between DJI and Yuneec

- 46. DJI and Yuneec are direct competitors in the UAV market. Since Yuneec ventured into the commercial UAV market in 2014, sources within the industry, including a writer for Engadget, have labeled Yuneec "a direct rival to DJI." *See* http://www.engadget.com/2015/08/16/yuneec-4k-typhoon-drone/ (last visited Mar. 31, 2016).
- 47. When Yuneec demonstrated its Typhoon H product at CES in Las Vegas, Nevada in January 2016, a writer for the Verge called the Typhoon H "the

- biggest challenge yet to DJI's supremacy." An article from Cinema5D labeled the Typhoon H "a serious contender to DJI's Prosumer lineup." One photography focused website went so far as to call Yuneec's Typhoon H a "DJI Killer."
- 48. DJI and Yuneec products are often displayed and advertised alongside each other, competing for limited consumer exposure and attention. *See* Figure 21.

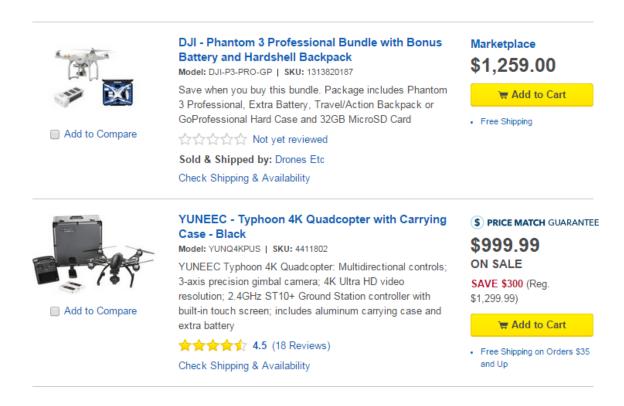


Figure 21.

The Patents-in-Suit

- 49. The Patents-in-Suit go to the heart of DJI's business, represent key achievements in DJI's continuous research and development efforts, and help drive consumer demand for DJI's products.
- 50. On October 20, 2015, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,164,506 ("the '506 patent"), entitled

- 51. On March 8, 2016, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,280,038 ("the '038 patent"), entitled "Interchangeable Mounting Platform," to Paul Pan, Xifeng Zhao, and Tao Zhao. DJI SZ is the owner of the '038 patent. DJI BV is the exclusive licensee of the '038 patent. A true and correct copy of the '038 patent is attached hereto as Exhibit 2.
- 52. On March 15, 2016, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,284,040 ("the '040 patent"), entitled "Self-Tightening Rotor," to Tao Wang, Tao Zhao, and Zhi Gang Ou. DJI SZ is the owner of the '040 patent. DJI BV is the exclusive licensee of the '040 patent. A true and correct copy of the '040 patent is attached hereto as Exhibit 3.
- 53. On December 29, 2015, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,221,536 ("the '536 patent"), entitled "Unmanned Aerial Vehicle and Operations Thereof," to Tao Wang, Tao Zhao, Shaojie Chen, and Zhigang Ou. DJI SZ is the owner of the '536 patent. DJI BV is the exclusive licensee of the '536 patent. A true and correct copy of the '536 patent is attached hereto as Exhibit 4.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

- 55. On March 15, 2016, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,284,049 ("the '049 patent"), entitled "Unmanned Aerial Vehicle and Operations Thereof," to Tao Wang, Tao Zhao, Shaojie Chen, and Zhigang Ou. DJI SZ is the owner of the '049 patent. DJI BV is the exclusive licensee of the '049 patent. A true and correct copy of the '049 patent is attached hereto as Exhibit 6.
- 56. On July 19, 2016, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,394,048 ("the '048 patent"), entitled "Unmanned Aerial Vehicle and Operations Thereof," to Tao Wang, Tao Zhao, Shaojie Chen, and Zhigang Ou. DJI SZ is the owner of the '048 patent. DJI BV is the exclusive licensee of the '048 patent. A true and correct copy of the '048 patent is attached hereto as Exhibit 7.
- 57. On information and belief, Yuneec either had actual knowledge of the Patents-in-Suit and/or their respective applications prior to this action, or willfully blinded itself to the existence of the Patents-in-Suit. In any event, Yuneec had

patent is attached hereto as Exhibit 5.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

- 58. On information and belief, Yuneec monitors DJI's patent portfolio by, for example, monitoring any press releases, articles, and websites regarding DJI's patent portfolio. On information and belief, Yuneec came across an article entitled "New Trademarks and a Patent Suggest that DJI has Big Plans for the Phantom 4," dated February 14, 2016. *See* http://myfirstdrone.com/news/ground-breaking-phantom-4-features-revealed-dji-patent/ (last visited Mar. 31, 2016). This article discusses DJI's U.S. Patent Application Publication No. 2016/0031559, which is a continuation of the '506 patent.
- 59. On information and belief, Yuneec reviewed DJI's patent portfolio, including the Patents-in-Suit and/or their respective applications and claims, as recently as June 2016, when Yuneec filed its Amended Answer in this lawsuit, pleading unenforceability. Dkt. No. 28. In its Amended Answer, Yuneec raised its unenforceability contentions based on prior art that was allegedly cited "in connection with multiple other patent applications directed to similar inventions" relating to DJI's UAV products. Dkt. No. 28. Thus, on information and belief, Yuneec reviewed and analyzed DJI's patent portfolio relating to UAV products, including the Patents-in-Suit and/or their respective applications and claims.

- 61. On information and belief, Yuneec has, on at least one occasion, altered the design of its products to avoid the infringement of DJI's patents. For example, DJI's U.S. Patent No. 9,016,617, filed November 27, 2013, discloses a magnetometer positioned on the landing stand of a UAV. On information and belief, as of at least January 23, 2015, the UAV sold as part of the Yuneec Q500 product had a magnetometer positioned on its landing stand. *See* https://www.youtube.com/watch?v=PxlLwVgjVnk (last visited Mar. 31, 2016). On information and belief, after the '617 patent was published, Yuneec moved the magnetometer away from the landing stand of the Q500 product sold in the United States.
- 62. On information and belief, Yuneec has known about the '506 and '038 patents and/or their respective claims since before the filing of the original Complaint, and Yuneec has known about the '040 patent, '536 patent, '754 patent, '049 patent, and '048 patent and/or their respective claims since before, or at least as of, the filing of the First Amended Complaint in this action. Despite having full knowledge of these claims, Yuneec continues its infringing conduct to this day.

FIRST CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,164,506)

- 63. DJI repeats and realleges the allegations of paragraphs 1 through 62 in their entirety.
- 64. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon G product package, the Yuneec Typhoon Q500 product package, the Yuneec Typhoon Q500 4K product package, and the Yuneec Typhoon H product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '506 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1 and 6 of the '506 patent is attached as Exhibit 8.
- 65. On information and belief, Yuneec had knowledge of the '506 patent prior to, or at least as of, the filing of the original Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has induced and encouraged the direct infringement of the '506 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

- and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '506 patent pursuant to 35 U.S.C. § 271(b).
- On information and belief, Yuneec had knowledge of the '506 patent 66. prior to, or at least as of, the filing of the original Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '506 patent. Yuneec has contributorily infringed the '506 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '506 patent, knowing the same to be made or adapted specially for use in the infringement of the '506 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '506 patent pursuant to 35 U.S.C. § 271(c).
 - 67. Unless enjoined by this Court, Yuneec will continue to infringe the '506 patent, and DJI will continue to suffer irreparable harm for which there is no

68. As a result of Yuneec's infringement of the '506 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

SECOND CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,280,038)

- 69. DJI repeats and realleges the allegations of paragraphs 1 through 68 in their entirety.
- 70. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon G product package, the Yuneec Typhoon Q500 product package, the Yuneec Typhoon Q500 4K product package, the Yuneec Typhoon H product package, and the Typhoon ActionCam, without the permission of DJI. Yuneec is thus liable for direct infringement of the '038 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1, 4, and 12 of the '038 patent is attached as Exhibit 9.

18

19

20

- 71. On information and belief, Yuneec had knowledge of the '038 patent prior to, or at least as of, the filing of the original Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has induced and encouraged the direct infringement of the '038 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '038 patent pursuant to 35 U.S.C. § 271(b).
- 72. On information and belief, Yuneec had knowledge of the '038 patent prior to, or at least as of, the filing of the original Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '038 patent. Yuneec has contributorily infringed the '038 patent by offering to sell, selling, and/or importing into the United States a component constituting a

material part of the invention disclosed in the '038 patent, knowing the same to be 1 made or adapted specially for use in the infringement of the '038 patent, and not a 2 staple article or commodity of commerce suitable for substantial noninfringing use. 3 Yuneec is therefore liable for indirect infringement of the '038 patent pursuant to 4 35 U.S.C. § 271(c). 5 73. Unless enjoined by this Court, Yuneec will continue to infringe the 6 '038 patent and DJI will continue to suffer irreparable harm for which there is no 7 adequate remedy at law. Accordingly, DJI is entitled to preliminary and 8 9 permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283. 10 74. As a result of Yuneec's infringement of the '038 patent, DJI has been 11 and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an 12 13 amount to be determined at trial. 14 THIRD CAUSE OF ACTION (Infringement of U.S. Patent No. 9,284,040) 15 DJI repeats and realleges the allegations of paragraphs 1 through 74 in 16 75. their entirety. 17 Yuneec has infringed, either literally and/or under the doctrine of 18 76. equivalents, one or more claims of the '040 patent and continues to infringe in this 19 District, by making, using, selling, offering for sale, and/or importing into the 20

21

United States products including, but not limited to, the Yuneec Typhoon G

- 1 product package, the Yuneec Typhoon Q500 product package, and the Yuneec
- 2 | Typhoon Q500 4K product package, without the permission of DJI. Yuneec is
- 3 | thus liable for direct infringement of the '040 patent pursuant to 35 U.S.C.
- 4 | § 271(a). A representative claim chart detailing Yuneec's infringement of at least
- 5 | claims 1-3 and 5 of the '040 patent is attached as Exhibit 10.
- 6 77. On information and belief, Yuneec had knowledge of the '040 patent
- 7 | prior to, or at least as of, the filing of this First Amended Complaint and had
- 8 knowledge that the products and systems identified herein infringe, either literally
- 9 and/or under the doctrine of equivalents, one or more claims of the '040 patent.
- 10 | Yuneec has induced and encouraged the direct infringement of the '040 patent by
- 11 Yuneec's customers, resellers, retailers, and end users by intentionally directing
- 12 them and encouraging them to make, use, sell, and/or offer to sell within the
- 13 United States and/or to import into the United States one or more devices that
- 14 | embody the patented invention and that incorporate the accused products and
- 15 systems identified above. On information and belief, Yuneec provides user guides,
- 16 video tutorials, and customer support to instruct its customers on how to use the
- 17 | infringing technology. Yuneec is therefore liable for indirect infringement of the
- 18 | '040 patent pursuant to 35 U.S.C. § 271(b).
- 19 | 78. On information and belief, Yuneec had knowledge of the '040 patent
- 20 prior to, or at least as of, the filing of this First Amended Complaint and had
- 21 knowledge that the products and systems identified infringe, either literally and/or

under the doctrine of equivalents, one or more claims of the '040 patent. Yuneec 1 has and continues to contributorily infringe, and will continue to contributorily 2 infringe, either literally and/or under the doctrine of equivalents, one or more 3 claims of the '040 patent. Yuneec has contributorily infringed the '040 patent by 4 offering to sell, selling, and/or importing into the United States a component 5 constituting a material part of the invention disclosed in the '040 patent, knowing 6 the same to be made or adapted specially for use in the infringement of the '040 7 8 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '040 9 10 patent pursuant to 35 U.S.C. § 271(c). 11

- 79. Unless enjoined by this Court, Yuneec will continue to infringe the '040 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.
- 80. As a result of Yuneec's infringement of the '040 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

19

12

13

14

15

16

17

18

20

FOURTH CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,221,536)

- 81. DJI repeats and realleges the allegations of paragraphs 1 through 80 in their entirety.
- 82. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '536 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon Q500 product package and the Yuneec Typhoon Q500 4K product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '536 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1 and 7 of the '536 patent is attached as Exhibit 11.
- 83. On information and belief, Yuneec had knowledge of the '536 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '536 patent. Yuneec has induced and encouraged the direct infringement of the '536 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

- 84. On information and belief, Yuneec had knowledge of the '536 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '536 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '536 patent. Yuneec has contributorily infringed the '536 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '536 patent, knowing the same to be made or adapted specially for use in the infringement of the '536 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '536 patent pursuant to 35 U.S.C. § 271(c).
- 85. Unless enjoined by this Court, Yuneec will continue to infringe the '536 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.

2
 3
 4

86. As a result of Yuneec's infringement of the '536 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

FIFTH CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,233,754)

- 87. DJI repeats and realleges the allegations of paragraphs 1 through 86 in their entirety.
- 88. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '754 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon Q500 product package and the Yuneec Typhoon Q500 4K product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '754 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1, 10, 22, and 31 of the '754 patent is attached as Exhibit 12.
- 89. On information and belief, Yuneec had knowledge of the '754 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '754 patent.

Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '754 patent pursuant to 35 U.S.C. § 271(b).

90. On information and belief, Yuneec had knowledge of the '754 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '754 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '754 patent. Yuneec has contributorily infringed the '754 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '754 patent, knowing the same to be made or adapted specially for use in the infringement of the '754 patent, and not a staple article or commodity of commerce suitable for substantial

- 91. Unless enjoined by this Court, Yuneec will continue to infringe the '754 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.
- 92. As a result of Yuneec's infringement of the '754 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

SIXTH CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,284,049)

- 93. DJI repeats and realleges the allegations of paragraphs 1 through 92 in their entirety.
- 94. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '049 patent and continues to infringe in this District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon Q500 product package and the Yuneec Typhoon Q500 4K product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '049 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's

infringement of at least claims 1, 2, and 7 of the '049 patent is attached as Exhibit

On information and belief, Yuneec had knowledge of the '049 patent

95.

1

3

4 prof 5 km 6 am 7 Y 8 Y 9 th 10 U

11

12

13

14

15

16

17

18

19

20

- prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '049 patent. Yuneec has induced and encouraged the direct infringement of the '049 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '049 patent pursuant to 35 U.S.C. § 271(b).
- 96. On information and belief, Yuneec had knowledge of the '049 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '049 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more

Unless enjoined by this Court, Yuneec will continue to infringe the '049 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and

As a result of Yuneec's infringement of the '049 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an

SEVENTH CAUSE OF ACTION

(Infringement of U.S. Patent No. 9,394,048)

- DJI repeats and realleges the allegations of paragraphs 1 through 98 in 99. their entirety.
- 100. Yuneec has infringed, either literally and/or under the doctrine of equivalents, one or more claims of the '048 patent and continues to infringe in this

16

17

18

19

20

District, by making, using, selling, offering for sale, and/or importing into the United States products including, but not limited to, the Yuneec Typhoon Q500 product package and the Yuneec Typhoon Q500 4K product package, without the permission of DJI. Yuneec is thus liable for direct infringement of the '048 patent pursuant to 35 U.S.C. § 271(a). A representative claim chart detailing Yuneec's infringement of at least claims 1, 3, and 7 of the '048 patent is attached as Exhibit 14.

On information and belief, Yuneec had knowledge of the '048 patent prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified herein infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '048 patent. Yuneec has induced and encouraged the direct infringement of the '048 patent by Yuneec's customers, resellers, retailers, and end users by intentionally directing them and encouraging them to make, use, sell, and/or offer to sell within the United States and/or to import into the United States one or more devices that embody the patented invention and that incorporate the accused products and systems identified above. On information and belief, Yuneec provides user guides, video tutorials, and customer support to instruct its customers on how to use the infringing technology. Yuneec is therefore liable for indirect infringement of the '048 patent pursuant to 35 U.S.C. § 271(b).

21

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

21

On information and belief, Yuneec had knowledge of the '048 patent 102. prior to, or at least as of, the filing of this First Amended Complaint and had knowledge that the products and systems identified infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '048 patent. Yuneec has and continues to contributorily infringe, and will continue to contributorily infringe, either literally and/or under the doctrine of equivalents, one or more claims of the '048 patent. Yuneec has contributorily infringed the '048 patent by offering to sell, selling, and/or importing into the United States a component constituting a material part of the invention disclosed in the '048 patent, knowing the same to be made or adapted specially for use in the infringement of the '048 patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use. Yuneec is therefore liable for indirect infringement of the '048 patent pursuant to 35 U.S.C. § 271(c).

103. Unless enjoined by this Court, Yuneec will continue to infringe the '048 patent, and DJI will continue to suffer irreparable harm for which there is no adequate remedy at law. Accordingly, DJI is entitled to preliminary and permanent injunctive relief against such infringement pursuant to 35 U.S.C. § 283.

104. As a result of Yuneec's infringement of the '048 patent, DJI has been and continues to be irreparably injured in its business and property rights, and is entitled to recover damages for such injuries pursuant to 35 U.S.C. § 284 in an amount to be determined at trial.

PRAYER FOR RELIEF

2

3

1

4

5

7

6

9

8

10 11

12

13

14

15

16 17

18

20

19

21

WHEREFORE, Plaintiffs request entry of judgment in their favor and against Defendants as follows:

- That Defendants are liable for infringement, contributing to the a. infringement, and/or inducing the infringement of one or more claims of the Patents-in-Suit, as alleged herein;
- That Defendants and their parents, subsidiaries, affiliates, successors, b. predecessors, assigns, and the officers, directors, agents, servants, and employees of each of the foregoing, customers and/or licensees and those persons acting in concert or participation with any of them, are enjoined and restrained from continued infringement, including but not limited to using, making, importing, offering for sale and/or selling products that infringe, and from contributorily and/or inducing the infringement of the Patents-in-Suit prior to their expiration, including any extensions;
- An Order directing Defendants to file with this Court and serve upon c. Plaintiffs' counsel within 30 days after the entry of the Order of Injunction a report setting forth the manner and form in which Defendants have complied with the injunction;
- An award of damages adequate to compensate Plaintiffs for the d. infringement that has occurred, in accordance with 35 U.S.C. § 284, in lost profits,

1	price erosion and/or reasonable royalty, including prejudgment and post-judgment		
2	interest at the highest rates allowed by law;		
3	e.	An accounting an	d/or supplemental damages for all damages
4	occurring after any discovery cutoff and through the Court's decision regarding the		
5	imposition of a permanent injunction;		
6	f.	An award of attor	neys' fees based on this being an exceptional case
7	pursuant to 35 U.S.C. § 285, including prejudgment interest on such fees;		
8	g.	Costs and expens	es in this action;
9	h.	-	orther relief, in law and in equity, as this Court may
10	deem just and appropriate.		
	accin just a	are appropriate.	
11	Dated: Dec	ember 6, 2016	WILSON SONSINI GOODRICH & ROSATI
12			Professional Corporation
13			By: <u>/s/ James C. Yoon</u> James C. Yoon
14			James C. 10011
			Additional counsel:
15			J. Michael Jakes (pro hac vice)
16			mike.jakes@finnegan.com
17			Christopher T. Blackford (pro hac vice)
17			christopher.blackford@finnegan.com Qingyu Yin (pro hac vice)
18			qingyu.yin@finnegan.com
19 			FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
			901 New York Avenue, N.W.
20			Washington, D.C. 20001-4413 Telephone: (202) 408-4000
21			Telephone. (202) 400-4000

Case 5 16-cv-00595-BRO-KK Document 83 Filed 12/06/16 Page 47 of 50 Page ID #:1991

1	DEMAND FOR JURY TRIAL			
2	Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiffs DJ			
3	SZ Technology Co., Ltd. and DJI Europe B.V. demand a trial by jury of this			
4	action.			
5				
6	Dated: December 6, 2016 WILSON SONSINI GOODRICH & ROSATI			
7	Professional Corporation			
8				
9	By: <u>/s/ James C. Yoon</u> James C. Yoon			
10	Additional counsel:			
11				
12	J. Michael Jakes (pro hac vice) mike.jakes@finnegan.com			
13	Christopher T. Blackford (<i>pro hac vice</i>) christopher.blackford@finnegan.com			
14	Qingyu Yin (<i>pro hac vice</i>) qingyu.yin@finnegan.com			
15	FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP			
	901 New York Avenue, N.W. Washington, D.C. 20001-4413			
16	Telephone: (202) 408-4000 Facsimile: (202) 408-4400			
17				
18	Benjamin R. Schlesinger (<i>pro hac vice</i>) FINNEGAN, HENDERSON, FARABOW,			
19	GARRETT & DUNNER, LLP			
20				
21				

Case 5 16-cv-00595-BRO-KK Document 83 Filed 12/06/16 Page 49 of 50 Page ID #:1993

TABLE OF EXHIBITS

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |

Exhibit	Page(s)
1	51 – 98
2	99 – 153
3	154 - 183
4	184 - 204
5	205 - 225
6	226 - 246
7	247 - 267
8	268 - 280
9	281 - 295
10	296 - 325
11	326 - 340
12	341 - 355
13	356 – 369
14	370 - 382